

I am a long-time admirer of Jim Kemeny's work, but I start from a position of scepticism about all "housing system" theories, i.e. theories that posit a general causal relationship between features of a "housing system" and characteristics of the wider society. My view, which I have attempted to expound elsewhere (Somerville 2000) is that this is not how societies work, partly because what happens in specific fields such as housing is already well embedded within wider networks of social relations. Such embedding, with its associated path dependence, makes the idea of general (trans-national and trans-historical) relations between "housing" and "society" virtually meaningless.

Kemeny's theory is an example of such a theory. Categories such as "home ownership" and "renting" are abstracted from their specific historical and national (not to mention local) contexts and made the subject of general propositions. For example, he compares the rate of home ownership in Bangladesh with that of the New World English-speaking countries and countries in Western Europe, but does not mention the historical reasons for these differences; for example, the expropriation of landlords in Bangladesh, the colonization of the New World by small-holding settlers, and the impact of 20th century state planning in Western Europe. Arguably, home ownership is irreducibly culturally specific, with different meanings in different places and at different historical times.

Having said this, I would argue that it is indeed possible, contrary to what Kemeny states, to identify a positive relationship in individual countries over certain historical periods between improvements in living standards and increases in home ownership. This relationship existed in the UK, for example, from about 1950 to 1990. My point, however, is that such relationships are inevitably historically and geographically specific, and are mediated by many important economic, social and cultural variables, such as housing form (e.g. houses or flats), housing affordability (relative costs of renting and buying), housing location (e.g. inner city or suburbs), type of household (e.g. nuclear family or single person) and cultural bias (e.g. towards owner-occupation). The relationship itself may even be accidental rather than causal.

Having identified an abstract general category of home ownership, Kemeny originally argued that home ownership causes privatized lifestyles, including privatized attitudes to state welfare. This argument, however, was not intended in a perfectly general sense, as it probably does not hold true in Bangladesh for example. Applied to developed countries, though, following Castles (1998), Kemeny now accepts that the reverse could just as well be argued, namely that increasingly privatized lifestyles create a demand for owner-occupation. Indeed, in a society based on private property ownership, it seems perfectly reasonable for people to express a preference for owning over renting; renting is often seen as a "waste of money" (Somerville 1994:342). In such a society, ownership of important assets such as housing is important, even essential, for the full exercise of liberty (though this ownership could be on a co-operative rather than on an individual basis). This actually helps to explain why home ownership in such countries might tend to increase as living standards rise and buying a house becomes more affordable.

Kemeny also argues that there is a similar two-way causal relationship between home ownership and a "weak" welfare state. This argument has echoes of those found at the end of Saunders (1990), and is equally problematic, not least because the concept of a welfare state is highly contentious. Consider, for example, the policy of mortgage interest tax relief in the UK, which provided huge financial support for home ownership. Arguably, this policy increased the welfare of those who benefited from it as well as increasing owner-occupation – so maybe a "stronger" welfare state is

one that can more effectively support home ownership? Other state policies that have often been included as “welfare” such as on education, health and transport, can also serve to encourage rather than attenuate “privatized lifestyles” (including owner-occupation), particularly under the New Labour government's version of “roll out” neoliberalism (Peck & Tickell 2002). Thus it appears that some state welfare policies may promote home ownership while others discourage it. The main point, however, is that there is no general connection between (high or increasing) home ownership and (low or diminishing) state welfare, even in so-called developed countries; everything depends upon the government's strategy and intentions.

Finally, Kemeny suggests that the relationship between (increasing) home ownership and (diminishing) state welfare is mediated by the decisions made by households at an early stage in their housing careers. The suggestion is that, in deciding whether to rent or buy their housing, households are most swayed by their assessment of their likely financial position in old age, which is crucially determined by levels of state pensions and care provision. But where is the evidence to support this suggestion? Households typically make their decisions on the basis of a complex set of factors, among which immediately pressing needs tend to take priority, so matters of distant future concern are unlikely to have a significant effect on their decision-making. A better example of a mediating factor here would be the opportunistic activities of unscrupulous governments that seek fiscal advantage by stripping retired people of their property assets, i.e. where governments see the expansion of home ownership among older people as an opportunity to transfer more of the cost of pensions and care to the recipients, e.g. by getting them to remortgage their homes. So yes, the relationship between housing tenure and welfare is important, but it is not a general causal one of more home ownership means less welfare in old age, and is mediated primarily by political decisions made in the present rather than by household decisions made in the past.

So Kemeny is no doubt right to point out that countries have different tenure structures as a result of the policies of their governments over long historical periods (e.g. in relation to rental provision, urban planning and welfare), but it does not follow that there is any general causal relationship between tenure and state policy, nor does this “housing theory” approach appear to take us very far in understanding how and why tenure structures are changing today, or what effects these changes are having on society in general.